



MICHIGAN NATURAL RESOURCES TRUST FUND



2006 ANNUAL REPORT

**Michigan Department of Natural Resources
Grants Management**

MICHIGAN DEPARTMENT OF NATURAL RESOURCES (DNR) MISSION STATEMENT

"The Michigan Department of Natural Resources is committed to the conservation, protection, management, use and enjoyment of the State's natural resources for current and future generations."

NATURAL RESOURCES COMMISSION (NRC) STATEMENT

The Natural Resources Commission, as the governing body for the Michigan Department of Natural Resources, provides a strategic framework for the DNR to effectively manage your resources. The NRC holds monthly, public meetings throughout Michigan, working closely with its constituencies in establishing and improving natural resources management policy.

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**2006
MICHIGAN NATURAL RESOURCES TRUST FUND
ANNUAL REPORT**

**Lansing, Michigan
January 2007**

**Michigan Natural Resources Trust Fund
Board of Trustees**

**Keith Charters
as of June, 2006)**

Bob Garner

**Steven Hamp
(through June, 2006)**

Lana Pollack

Frank Torre

Sam Washington, Chair

Michigan Department of Natural Resources

Rebecca A. Humphries, Director

Dennis Fedewa, Chief Deputy

**Jim Wood, Manager
Grants Management**

**Deborah Apostol, Unit Manager
Grants Management**

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MICHIGAN NATURAL RESOURCES TRUST FUND

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I. INTRODUCTION

This document is submitted in compliance with Section 1906(2) of the Michigan Natural Resources Trust Fund (MNRTF) Act, Part 19 of the Natural Resources and Environmental Protection Act, 451 PA 1994 (Act 451), as amended. Part 19 of Act 451 requires that by January 16 of each year, an Annual Report be submitted to the Governor and Legislature detailing the operations of the MNRTF Board of Trustees for the preceding one-year period. The report provides a summary of the activities of the MNRTF Board and Program for calendar year 2006, including projects recommended for funding and program revenues and expenditures.

II. HISTORY OF THE MICHIGAN NATURAL RESOURCES TRUST FUND

The MNRTF began as the “Kammer Recreational Land Trust Fund Act of 1976” via PA 204 of 1976. Act 204 created the Michigan Land Trust Fund (MLTF) program to provide a source of funding for the public acquisition of lands for resource protection and public outdoor recreation. Funding was derived from royalties on the sale and lease of state-owned mineral rights.

On November 6, 1984, Michigan residents voted in favor of Proposal B, which amended the state constitution and created the MNRTF. The constitutional amendment required that oil, gas, and other mineral lease and royalty payments be placed into the MNRTF, with proceeds used to both acquire and develop public recreation lands. To implement the constitutional amendment, the Legislature passed the Michigan Natural Resources Trust Fund Act of 1985 (PA 101 of 1985). This act stipulated that in any one fiscal year up to a third of all mineral lease revenues, plus the interest and earnings of the MNRTF, could be used to both purchase land for resource protection and public outdoor recreation and develop outdoor recreation facilities.

Act 101 of 1985 also specified that not less than 25 percent of the total expenditures from the MNRTF in any fiscal year shall be expended for land acquisition and rights in land, and not more than 25 percent of the total expenditures from the MNRTF in any fiscal year be expended for development of public recreation facilities. In addition, Act 101 authorized the use of MNRTF revenues to make the annual payments in-lieu of taxes to local units of government that are required under subpart 14 of Part 21 of the Natural Resources and Environmental Protection Act, 451 PA 1994, as amended. MNRTF revenues are used to meet the Michigan DNR’s obligations under Part 21 for lands acquired by the Michigan DNR with MNRTF assistance.

On November 8, 1994, Michigan voters approved Proposal P, which also amended the state constitution. The 1994 amendment reversed a previous constitutional provision which allowed the diversion of MNRTF revenue to the Michigan Strategic Fund. Proposal P also established the State Park Endowment Fund for the operation, maintenance, and capital improvements at Michigan’s state parks, and provided for the distribution of \$10 million annually in MNRTF revenues to the new Endowment Fund. The 1994 amendment also raised the maximum amount that can accumulate in the MNRTF from \$200 million to \$400 million.

On August 6, 2002, Michigan residents approved Proposal 2. This amendment to Article IX allows the MNRTF to invest in a wider array of investments, raises the current cap on the maximum allowable amount from \$400 million to \$500 million, and allows up to one-third of the MNRTF revenues to be spent annually, until the principal reaches \$500 million.

III. BOARD MEMBERSHIP

The Board of Trustees created by the MNRTF Act is composed of five members. These members are the Director of the Michigan Department of Natural Resources (DNR) or a member of the Natural Resources Commission (NRC), as determined by the NRC, and four residents of the state appointed by the Governor.

The four citizen members appointed by the Governor and serving their terms during 2006 were:

Mr. Keith Charters from Traverse City, for a term expiring October 1, 2009, who resigned September, 2006; Mr. Steven Hamp from Ann Arbor, for a term expiring October 1, 2009, who resigned June, 2006; Ms. Lana Pollack from Ann Arbor, for a term expiring October 1, 2007; Mr. Frank Torre from West Bloomfield, for a term expiring October 1, 2008; Mr. Sam Washington from West Bloomfield, for a term expiring October 1, 2010; and Mr. Bob Garner from Cadillac, for a term expiring October 1, 2009. The Natural Resources Commission was represented by Commissioner Bob Garner from Cadillac, who served until October, 2006, and was replaced by Mr. Keith Charters. Mr. Washington served as Chairperson through 2006.

IV. BOARD ACTIVITIES AND ACHIEVEMENTS IN 2006

The MNRTF Board met six times in 2006 to conduct business. An evening meeting was held on December 5th in Lansing to provide an opportunity to discuss the list of recommended projects. The following is a summary of their actions:

Allocation of Project Funds

Section 1907(1) of Part 19, PA 451 of 1994, requires that by January of each year the Board submit to the Legislature a priority list of lands recommended for acquisition and/or development.

Applications for MNRTF assistance are accepted annually. Applications are accepted from both local units of government and state agencies, primarily the land managing divisions of the Michigan Department of Natural Resources (DNR). Applications are reviewed and scored by Grants Management of the Michigan DNR. Final grant recommendations are made by the MNRTF Board and submitted to the Legislature for approval and appropriation of funds.

The 2006 *Recreation Grants Selection Process* (IC1905) booklet, which explains the program and application requirements, was made available to prospective applicants in January 2006. Applications for MNRTF land acquisition and recreation facility development projects were accepted from the Michigan DNR and local units of government on April 1, 2006. A secondary deadline for acquisition applications was available on August 1, 2006.

The Michigan DNR Grants Management staff review applications for eligibility and conformance to the stated program goals and evaluation criteria. For applications received in April, Grants Management staff conducted a preliminary evaluation and made the results available to applicants before the final scoring process was conducted. Also, for applications received in April and August, Grants Management staff conducted a site visit of certain sites to verify conditions described in the application.

During 2006, over 160 MNRTF applications requesting more than \$63 million in assistance were evaluated and scored by Grants Management staff based on criteria and a scoring model approved by the Board. The staff rankings for acquisition and development projects were submitted to the Board in December. These rankings were based on application scores and the funds available. The Board considered staff recommendations and other appropriate factors in making its recommendations.

At its December 6, 2006, meeting, the Board officially adopted its 2006 project recommendations for land acquisition and development projects for submission to the Legislature. The list included the following projects, subject to legislative approval and appropriation of funds:

- 34 acquisition grants totaling \$27.7 million - 24 local acquisition grants totaling \$15.1 million and 10 state acquisition grants totaling \$12.6 million.
- 27 development grants totaling \$8.3 million – 22 local development grants totaling \$6.2 million and 5 state development grants totaling \$2.0 million.

Upon the request of the Michigan Department of Management and Budget (DMB), the Board's recommendations were submitted to DMB for inclusion in a 2006 supplemental appropriations bill.

Board Actions

The Trust Fund Board modified the criteria for 2007 to include:

1. Criteria #1 – Need for Proposal; and Criteria #4, Protection and Use of Significant Natural Resources – **Changes to interpretation of the criteria.**
2. Criteria #7 – Replace “Economic Benefits of the Proposal” with a new criterion “Access Opportunities”.
3. Criteria #3 – Site and Project Quality – **Split into separate criteria – “Site Quality” and “Project Quality.”**
4. Criteria #10 – Local Match – **Increase the amount of additional match required to receive points from 1% to 5%.**
5. Criteria #8 – Population Served by the Project; and Criteria #11, Oil and Gas Impacted Areas - **Reduce weighting.**
6. Criteria #12 – Update and reprioritize **“Special Initiatives of the Board” to reflect higher prioritization of trail projects and to include new initiatives related to projects near urban areas and projects that provide universally accessible opportunities to natural resource based recreation.**

New Special Initiatives Approved:

1. **Special Initiative #4 – Acquisition of land or development of facilities in proximity to urban areas.**
2. **Special Initiative #5 – Development Only – Projects that provide a universally-accessible natural resource-based recreation opportunity, based on DNR-adopted criteria for universal accessibility.**
3. **Special Initiative #6 – Entrance Fees – Policies must be in place to address the needs of those not able to pay.**

Special Events

The Michigan Natural Resources Trust Fund celebrated its 30-year anniversary with three celebrations around the state and DNR Director Rebecca Humphries attended all three events. The kick-off event was held July 18, 2006, at Hull Park in Traverse City with Governor Jennifer M. Granholm as guest speaker, as well as Director Humphries. Board Members Keith Charters and Bob Garner were in attendance. Board Member Garner was the host of the event. The second event was held August 8, 2006, at Heritage Park in Farmington Hills with Chairperson Sam Washington hosting; and the third was held at the Upper Peninsula State Fairgrounds in Escanaba with Board Member Bob Garner as host. All three sites had received MNRTF assistance in the past. The success of the events was evident by the number of the participants that attended.

V. 2006 APPROVED PROJECTS

PROJECT NO.	APPLICANT	PROJECT TITLE	DESCRIPTION	COUNTY	GRANT AMOUNT
TF 06-128	DNR	Kamehameha Schools Development Rights	Phase 5 of acquisition of a working forest conservation easement allowing continued timbering and public access on approximately 248,000 acres.	Various	\$1,100,000
TF 06-208	Ottawa County	Bur Oak Land Acquisition	Acquisition of 175 acres of high quality, undeveloped natural land with 4,925' of Grand River frontage, one-half mile of bayou frontage and 67 acres of wetlands for hunting, fishing, hiking and other resource based recreational uses.	Ottawa	\$773,000
TF 06-051	Long Lake Township	Cedar Run Creek Natural Area Acquisition	Acquisition of 212 acres, including over 6,200 feet on Cedar Run Creek and over 1,500 feet on Cedar Lake for hunting, fishing, hiking, nature observation, and education.	Grand Traverse	\$999,500
TF 06-204	Newaygo County	Camp Swampy Acquisition - Diamond Lake County Park	Acquisition of 151 acre Steelcase Camp including white oak-pine barrens, forests, dry sand prairie, and an 11 acre wetland bog with 2000' on Diamond Lake adjacent to existing protected areas for habitat protection, camping, hunting, fishing and swimming.	Newaygo	\$962,000
TF 06-093	Flynn Township	Hypoxex Wetlands Property Acquisition	Acquisition of 524 acres of which approximately 480 acres is natural wetlands, with 150 acres of open water. Adjacent to 200 acre mini-State Game area. Protects many bird species including waterfowl and 2 special concern songbirds; hunting, fishing.	Sanilac	\$785,900
TF 06-145	DNR	Winter Deer Habitat Initiative	Acquisition of high priority winter deer habitat identified by Wildlife Division staff in the UP and Northern lower peninsula.	Various	\$1,000,000
TF 06-135	DNR	Hackett Lake Conservation Easement	Acquisition of a conservation easement on a 640-acre parcel within the Pigeon River Country State Forest dedicated boundary containing Hackett Lake and various creeks for hunting, fishing, boating, and other outdoor recreational opportunities.	Cheboygan	\$2,600,000
TF 06-199	Oakland County	Upper Bushman Lake Acquisition	Acquisition of the 188-acre Upper Bushman Lake property, including a 31-acre lake, wetland, forested lowlands, and open meadows.	Oakland	\$1,900,000
TF 06-014	Antrim County	North Shore Hunt Club Acquisition	Acquisition of 172 acres on Lake Bellaire and Grass River, including 8,080 feet of waterfront.	Antrim	\$2,093,000
TF 06-205	Kent County	Chief Hazy Cloud Park Expansion	Acquisition of 96 acre parcel with 1900' of Grand River frontage, 15 acres of wetlands, 23 species of special concern or endangered species for habitat protection, and resource based recreation.	Kent	\$1,110,000
TF 06-131	DNR	Inland Waters Access Initiative	Acquisition of properties that provide access to inland lakes and streams statewide that do not currently have adequate public access.	Various	\$1,000,000

PROJECT NO.	APPLICANT	PROJECT TITLE	DESCRIPTION	COUNTY	GRANT AMOUNT
TF 06-141	DNR	State Park and Recreation Area Consolidation	Acquisition of priority inholdings or other key parcels of land located within and adjacent to State Park and Recreation Areas.	Various	\$1,500,000
TF 06-096	White River Township	Barrier Dunes Sanctuary Expansion	Addition of 2.2 acres of pristine barrier dunes and wetlands with 200 feet of Lake Michigan frontage to existing 11.42 acre Barrier Dunes Sanctuary for public access and habitat protection.	Muskegon	\$483,700
TF 06-210	South Haven Township	Deerlick Creek Park Acquisition	Acquisition of 2.1 acres for a township park, which includes 172 feet of Lake Michigan frontage, over 700 feet of Deerlick Creek and 0.82 acres of wetlands.	Van Buren	\$1,000,000
TF 06-099	St. Clair County	Belle River Property Acquisition	Acquisition of 300 acres with 1.5 miles of Belle River frontage for future development as a passive county park.	St. Clair	\$1,408,000
TF 06-137	DNR	State Forest Land Consolidation Initiative	Acquisition of in-holdings within state forests to improve access, management, and public use and to reduce fragmentation and use conflicts.	Various	\$1,000,000
TF 06-146	DNR	Wildlife Land Consolidation Initiative	Acquisition of private lands within the dedicated boundaries of State Game and Wildlife Areas statewide to consolidate ownership, protect habitat and provide recreation.	Various	\$1,000,000
TF 06-134	DNR	State Trailways Acquisition Initiative	Acquisition of approximately 220 miles of rail corridor in the upper and lower peninsulas.	Various	\$1,500,000
TF 06-024	Leelanau County	Veronica Valley Park	Acquisition of 93 acres of land with over 47 acres of wetlands and 2000 feet of frontage on Mebert Creek, a designated trout stream.	Leelanau	\$600,000
TF 06-112	Forest Home Township	Glacial Hills Pathway and Natural Area	Acquisition of 165 acres for public recreation, hunting, natural resource protection, and public land consolidation.	Antrim	\$213,100
TF 06-110	Suttons Bay Township	Herman Park Acquisition	Acquisition of 120 acres for proposed Herman Park, with 500 feet of frontage on Leo Creek.	Leelanau	\$394,200
TF 06-005	Denton Township	Houghton Lake Shore Property Acquisition	Acquisition in fee simple of approximately one acre of Houghton Lake property with over 150-foot frontage to develop a township waterfront park.	Roscommon	\$450,000
TF 06-142	DNR	Leelanau State Park Conservation Easement	Acquisition of a conservation easement on 51 acres, with public access to Leelanau State Park at the tip of Leelanau Peninsula, including 1,400 feet of Lake Michigan shoreline, northern forest and wetlands.	Leelanau	\$2,043,800
TF 06-138	DNR	Trisch Trust Property Acquisition	Acquisition of 600 acres of forested land that is completely surrounded by State Forest land, with one-half mile of Willow Run Creek frontage and diverse habitat types for hunting, fishing, hiking, and other outdoor recreation opportunities.	Missaukee	\$975,000

PROJECT NO.	APPLICANT	PROJECT TITLE	DESCRIPTION	COUNTY	GRANT AMOUNT
TF 06-036	Gerrish Township	Gerrish Township Public Park	Acquisition of 5.13 acres of proposed public recreational property on the SW side of Higgins Lake with approximately 427 feet of frontage. Includes commercial buildings intended for continued commercial use.	Roscommon	\$2,800,000
TF 06-002	Algoma Township	River's Edge Park Addition	Addition of 3.5 acres to existing 7 acre undeveloped park of wooded Rogue River riparian wetlands with 360' of river frontage across from 84 acres of DNR property for greenway development, fishing, environmental education, and wetland protection.	Kent	\$49,000
TF 06-053	Village of Hillman	Brush Creek Dam and Millpond Acquisition	Acquisition of approximately 1.5 acres of land and 200 feet of frontage on Brush Creek Millpond.	Montmorency	\$37,000
TF 06-087	Grattan Township	Satterlee Park Acquisition	Acquisition of 8.5 acres including 5 acres of wetlands with Massasauga and other wildlife habitat along Suly Creek for wetland and habitat protection, natural resource based recreation, and environmental education.	Kent	\$30,000
TF 06-032	Village of Ontonagon	Ontonagon Marina Acquisition	Acquisition of two acres of Ontonagon riverfront property for the development of a recreational boating facility and public fishing access.	Ontonagon	\$87,000
TF 06-202	Bridgeton Township	Township Boat Launch Expansion	5 acre expansion to existing public boat launch. Parcel will add 50' of Muskegon River frontage, protect 2 acres of wetlands, increase recreation opportunities, and address bank erosion and traffic safety problems due to limited size of existing park.	Newaygo	\$96,500
TF 06-206	City of Norton Shores	Black Lake Park Expansion	Acquisition of 4.28 acres of undeveloped land of which approximately 50% are designated wetlands adjacent to Black Lake Park and Hoffmaster State Park for passive recreation.	Muskegon	\$38,200
TF06-105	City of Standish	Recreation Property Acquisition	Acquisition of 60 acres located in Lincoln Township to be used for baseball, softball, soccer, walking trail for a joint city/township active recreation area.	Arenac	\$81,000
TF 06-061	City of Ithaca	McNabb Park Land Acquisition	Acquisition of 10 acres for multi-recreational purpose.	Gratiot	\$40,700
TF 06-201	City of Alanson	Crooked River Access Project	Acquisition of one acre of land on the Crooked River to establish recreational access to the river and a nearby "Island Sanctuary Park" already owned by the Village of Alanson.	Emmet	\$99,000
06-067	Ottawa County	Mount Pisgah Dune Protection Project	Improvements to Mount Pisgah Dune with exceptional views of Lake Michigan and Lake Macatawa including boardwalks, steps and decks, interpretive signs, and dune grass plantings to improve access to dune for area 1.5 million annual visitors and residents.	Ottawa	\$280,000

PROJECT NO.	APPLICANT	PROJECT TITLE	DESCRIPTION	COUNTY	GRANT AMOUNT
06-133	DNR	Multi-Use Shooting Sports and Education Facility	Development to include an indoor shooting range education facility in partnership with MSU. The range will provide new, year-round recreation and education opportunities for archery, airguns and smallbore arms.	Ingham	\$500,000
06-147	DNR	Accessible Hunting/Viewing Facilities	To provide for the creation or refurbishing of hunting and viewing facilities (parking lots, access trails, hunting blinds and viewing platforms) to be made in compliance with the Americans with Disabilities Act.	Various	\$99,700
06-118	City of Grand Ledge	Grand Ledge Riverwalk	2,500 linear foot extension of the Grand Ledge Riverwalk, connecting multiple parks, improving fishing access, and providing access to 5 acres of riparian wetlands along the Grand River in downtown Grand Ledge.	Eaton	\$192,100
06-074	Milford Township	Milford to Kensington Metropark Trail	Development of approximately 2.9-mile non-motorized trail through Kensington Metropark to Milford Dam.	Oakland	\$400,000
06-092	Village of Ellsworth	Ellsworth Community Park Enhancements	Development of Ellsworth Community Park on Lake Ellsworth to include an archery range, boat dock, fishing pier, 4-season pavilion with warming area and restrooms, children's play area, nature trails, and boardwalk.	Antrim	\$249,700
06-010	Northville Township	Coldwater Springs Nature Area-Linear Park	Development of public access trailway along the Johnson Creek, one of only 3 cold-water fisheries in SE Michigan and home to one endangered and one threatened species. and create a linkage to the 119-acre community park.	Wayne	\$303,800
06-022	City of Bay City	Wenonah Park Renovation	Updating of existing park along the Saginaw River. New seawall mooring facilities, new riverside promenade allowing closer access to the water, new paving. Planters and landscaping. Fishing access decks along the promenade.	Bay	\$500,000
06-132	DNR	Ralph A. MacMullan Conference Center Improvements	Development to include new RAM Center lodging and classroom buildings (phased project) to meet current and future needs of user groups.	Crawford	\$500,000
06-077	Emmet County	Camp Pet-o-se-ga Campground Facilities	Development of a third campground loop, play area, boat access, and bath house at Camp Pet-o-se-ga on Pickerel Lake.	Emmet	\$490,700
06-126	History, Arts, and Libraries	Iron Industry Museum Interpretive Trail System	Development of a two mile non-motorized interpretive trail system along the Carp River including scenic and historical overlooks and informational kiosks.	Marquette	\$261,600
06-046	Plainfield Township	Plainfield Township Nature Park Improvements	Development of nature trails, boardwalk, boat launch, fishing platforms, picnic areas, pavilion, restroom and parking on Loon and Mud Lakes in township park.	Iosco	\$332,000

PROJECT NO.	APPLICANT	PROJECT TITLE	DESCRIPTION	COUNTY	GRANT AMOUNT
06-020	Ingham County	Lake Lansing Trail	Development of 2.5 mile pathway and accessible fishing pier providing access to Lake Lansing, Lake Lansing South County Park, Meridian Township parks, and natural areas. Future connector will connect to Lansing River Trail at Michigan State University.	Ingham	\$358,300
06-069	City of Rockford	Rogue River Trail Network Extension-Peppler Park	1,600 foot boardwalk and bituminous extension of the Rouge River Trail Network through Peppler Park in downtown Rockford.	Kent	\$222,700
06-140	DNR	Campground Utility Improvements	Renovation at various state forest campgrounds, including dump stations, vault toilets, and wells.	Various	\$500,000
06-018	City of Cadillac	Clam River Greenway	Development of an additional 0.4 miles to the existing one-mile Clam River Greenway to complete the walkway within the City of Cadillac.	Wexford	\$269,500
06-075	Ontonagon Township	Ontonagon Township Park Improvements	Improvements to Ontonagon Township Park on Lake Superior to include development of a new restroom/shower building, pedestrian bridge and trails, campsite expansion, electrical upgrades, interpretive signage and hiking trails.	Ontonagon	\$232,800
06-064	City of Southfield	Carpenter Lake Nature Interpretive Center	Development of a community nature and environmental education center at Carpenter Lake Park.	Oakland	\$500,000
06-127	DNR	Upper Peninsula Pocket Park Renovations	Development to include renovation of existing building to include a welcome center, display areas, interactive classroom, accessible bathrooms and facility upgrades.	Delta	\$178,300
06-123	Grant Township	Hunter's Point Public Access Enhancement	Development to include access to Lake Superior with parking, boardwalk, viewing platform, toilet building and informational kiosk.	Keweenaw	\$47,100
06-006	Gratiot County	Reed County Park Improvements	Development of recreational day-use facilities, including beach house, youth playground, picnic area, pavilions and other infrastructure improvements.	Gratiot	\$495,000
06-015	City of Evart	Riverside Park Improvements	Improvements to 43 acre Riverside Park with 1,500 Muskegon River footage to include parking, walking trails, skate park equipment, and fishing piers.	Osceola	\$100,000
06-082	City of Munising	Tourist Park Campground Expansion	Development to include additional campsites with water, sewer and electrical services, foot bridge and pavilion/restroom/shower building at Tourist Park. Campground on Lake Superior.	Alger	\$210,500
06-029	Midland County	Sanford Lake Park Improvements	Improvements to Sanford Lake Park to include pavilions, restrooms, rail/trail connector and play structure.	Midland	\$235,900

PROJECT NO.	APPLICANT	PROJECT TITLE	DESCRIPTION	COUNTY	GRANT AMOUNT
06-090	Oscoda Township	Oscoda Beach Park Boardwalk Development	Development of a lighted barrier-free boardwalk along the Lake Huron shoreline to include seating areas and access ramps to the beach and parking lot.	Iosco	\$44,800
06-050	City of Lansing	Hunter Pool Renovation	Improvements to Hunter Pool Park to include installation of splash park, and upgrades to existing pool to include zero depth entry, mechanical upgrades, drains, and pool deck, for water-based outdoor recreation in an urban setting.	Ingham	\$500,000
06-079	Village of Milford	Hubbell Pont Park Non-Motorized Trail	Development of a one mile, 10-foot wide paved trail from Milford Dam north through Hubbell Pond Park.	Oakland	\$297,000

MNRTF Nominations

While only state and local governments may apply to the MNRTF to acquire property, any individual, group, or organization may nominate land for consideration. A nomination is a suggestion that the DNR consider a property for acquisition. Individuals wanting to submit a nomination must complete a short form.

Nominations are compiled by the DNR's Grants Management and provided to the land managing bureaus/divisions of the DNR (Wildlife; Forest, Mineral and Fire Management; Parks and Recreation; and Fisheries) for reviews and to determine if the division wants to submit a MNRTF grant application for the property. Only those nominations which a DNR division decides to submit as an application are considered for funding, however, the MNRTF Board is provided a list of all nominations received.

Nominations may be submitted at any time, however, a list of the nominations received as of January 1, 2006 was provided to the Board at their April 2006 meeting. This gave the Board the opportunity to make note of properties of interest.

A total of five nominations were received in 2006, three of which were determined by the Department to be of high enough priority to be submitted as a Trust Fund application by one of the DNR's land managing divisions. Two applications were included in the Board's final project recommendations and approved for funding by the Legislature.

VI. 2006 PROJECT EXPENDITURES

Expenditures made from the Trust Fund for calendar year 2006 for MNRTF grants and projects are provided in the lists in Appendix A. There are four separate lists: Local Government Acquisitions, Local Government Development Projects, State Acquisitions, and State Development Projects. These lists provide the following information:

- **Project Number**
- **Grant or Project Name**
- **Grantee Name:** The grant recipient for local projects.
- **Grant or Project Amount:** The local grant or DNR project amount approved by the MNRTF Board.
- **2006 Expenditures:** Expenditures made toward completing the project in 2006. For local acquisitions, this includes the grant or project amount plus additional costs directly associated with the project, such as DNR review and approval of local land appraisals. For recently approved acquisitions, if the expenditures listed are small and a large balance remains, the costs incurred in 2006 are those associated with appraisal of the property. The actual acquisition was not completed in calendar year 2006.
- **Balance:** Project or grant funds remaining taking into account the 2006 expenditures and all prior year expenditures.
- **2006 Acres:** For local and state acquisitions, if the property was acquired in 2006, or reported to the Grants Management as a completed acquisition in 2006, the acres acquired is provided. If this column is blank, either the property was acquired in a prior year and any reported expenditures represent final close out costs (such as final payment to the grantee upon completion of a file audit) or the land has not been acquired. For lands not yet acquired, reported expenditures represent appraisal-related costs.

These 2006 expenditures represent only a part of the total project or grant amount, since costs are incurred over several fiscal years. These figures do not include local match expenditures for grants to local units of government.

GRANT AND PROJECT EXPENDITURES FOR 2006
LOCAL GOVERNMENT ACQUISITION

TF #	GRANT NAME	GRANTEE	GRANT AMOUNT	2006 EXPENDITURES *	BALANCE	2006 ACRES
Act 291 of 2000						
99-384	Escanaba Riverfront Property Acquisition	City of Escanaba	102,750	102,750	0	12.26
		SUBTOTAL	\$ 102,750	\$ 102,750	0	12.26
Act 81 of 2001						
00-065	Purchase of Bakers Field	Port Huron Township	375,000	35,421	0	
00-223	Wharfside Building Acquisition	City of Charlevoix	500,000	43,779	0	.08
00-328	Millennium Park Land Acquisition	Kent County	1,110,200	375	111,020	
		SUBTOTAL	\$ 1,985,200	\$ 79,575	\$ 111,020	.08
Act 120 of 2001						
01-078	Millennium Park Acquisition II	Kent County	3,390,000	500	2,427,186	
01-115	Clinton River Trail Acquisition	City of Pontiac	412,160	25,860	0	
		SUBTOTAL	\$ 3,802,160	\$ 26,360	\$ 2,427,186	.00
Act 746 of 2002						
02-013	Lost Lake Park Acquisition	Oakland Township	1,762,800	1,621,461	0	31.22
02-019	Township Park Expansion	Kochville Township	63,800	63,742	0	36.07
02-026	Resort Bluffs	Emmet County	869,400	869,712	0	5.37
02-028	Riverside Park Acquisition	City of Ewart	288,400	288,400	0	28.00
02-083	Elk View Acquisition	City of Gaylord	112,000	108,803	0	2.05
02-128	Houghmaster Property	Alpena Township	1,392,900	1,384,141	0	133.00
02-133	Flat River Trail Acquisitions	City of Greenville	35,100	2,250	32,850	
02-148	Berberian Property Acquisition	City of Southfield	1,753,500	1,753,500	0	16.22
02-220	Boardman Nature Education Reserve Expansion	Garfield Township	505,000	2,250	502,750	
02-166	Macomb Orchard Trail Acquisition	Macomb County	1,718,300	1,750	1,716,550	
02-211	Waterfront Land Acquisition	City of Houghton	390,000	378,375	0	1.90
		SUBTOTAL	\$ 8,891,200	\$ 6,474,384	\$ 2,252,150	
TOTAL EXPENDITURES AND ACRES			\$ 14,781,310	\$ 6,683,069	\$ 4,793,612	266.17

* Includes employee charges associated with acquisition closing

GRANT AND PROJECT EXPENDITURES FOR 2006

		STATE ACQUISITION			
TF #	PROJECT NAME	PROJECT AMOUNT	2006 EXPENDITURES *	BALANCE	2006 ACRES
Act 81 of 2001					
00-240	Trail Acquisition Lump Sum	350,000	177,155	0	106.89
00-252	State Parks & Recreation Lump Sum	700,000	4,097	0	0
00-255	Wildlife Lump Sum	950,000	1,986	1,791	0
00-401	MNRTF Board Small Acquisition Grants Initiative	350,000	104,936	191,818	106.54
	SUBTOTAL	\$ 2,350,000	\$ 288,174	\$ 193,609	213.43
Act 120 of 2001					
01-205	Mackinac Island State Park Land Acquisition	500,000	92,412	83	.22
	SUBTOTAL	\$ 500,000	\$ 92,412	\$ 83	.22
Act 173 of 2006					
02-181	Alpena-Hawks Rogers City Trail Acquisition	850,000	68,290	0	0
	SUBTOTAL	\$ 850,000	\$ 68,290	0	0
Act 309 of 2006					
03-198	Wildlife Lump Sum	450,000	3,223	446,777	0
03-199	Upper Peninsula Deer Habitat Acquisition	1,500,000	301	1,499,699	0
03-209	CMS Arcadia/Green Point Dunes	4,000,000	18,265	3,981,735	0
		5,950,000	21,789	5,928,211	0
	SUBTOTAL	\$ 11,900,000	\$ 43,578	\$ 11,856,422	
TOTAL EXPENDITURES AND ACRES		\$ 21,650,000	\$ 500,462	\$ 10,620,186	213.65

* Includes employee charges associated with acquisition closing

** No acres for Trail related projects since acquisition is in linear feet or miles

GRANT AND PROJECT EXPENDITURES FOR 2006
LOCAL GOVERNMENT DEVELOPMENT

TF #	GRANT NAME	GRANTEE	GRANT AMOUNT	2006 EXPENDITURES *	BALANCE
Act 265 of 1999					
99-075	Betsie Valley Trail	Benzie County	254,263	25,426	0
99-209	Swain's Lake Park	Jackson County	88,750	8,875	0
SUBTOTAL			\$ 343,013	\$ 34,301	0
Act 291 of 2000					
99-016	Curtiss Park Improvements	City of Saline	99,470	9,947	0
99-184	Trenton Linked River Park Improvements	City of Trenton	187,925	7,506	0
99-193	Ott Preserve Improvements	Calhoun County	231,962	23,196	0
99-196	Lillie Park Restoration/Redevelopment	Pittsfield Township	219,724	21,972	0
99-262	Rockport Picnic Fishing Pier	Alpena Township	50,300	5,030	0
99-266	Paint River Walk	City of Crystal Falls	167,090	16,709	0
99-401	Betsie Valley Trail	Benzie County	432,000	48,950	0
SUBTOTAL			\$ 1,388,471	\$ 133,310	0
Act 506 of 2000					
00-016	Southwest Lakeshore Development	City of Wakefield	136,000	9,836	0
00-024	Pine River Nature Center	St. Clair Intermediate School District	370,000	37,000	0
00-058	Millennium Park Facilities Development	Kent County	50,000	50,000	0
00-146	Grayling Fish Interpretive Center	Crawford County	327,796	28,278	0
SUBTOTAL			\$ 883,796	\$ 125,114	
Act 81 of 2001					
00-059	Pickerel Lake Trail Addition	Kent County	240,500	113,891	126,609
00-069	Fishing Access Boardwalks	Huron-Clinton Metropolitan Authority	180,000	124,468	0
00-092	New City Park Development	City of Auburn Hills	235,000	109,130	0
00-106	Westside Riverfront Park Development	City of Saginaw	256,153	226,440	29,713
00-155	River Bend Park Improvements	City of Croswell	82,240	8,224	0
00-172	Kollen Park Renovation	City of Holland	500,000	50,000	0
00-185	Ludington Park Beachhouse Renovation	City of Escanaba	192,500	38,147	0
00-188	Deerfield Hills Development Project	Deerfield Township	31,220	3,122	0
00-194	Stoffer Plaza Redevelopment	City of Albion	55,500	55,500	0
00-275	Harbor Breakwall Walkway Extension	City of Alpena	153,481	7,773	0
00-311	Bear Creek Park Development	Oakland Township	313,302	31,330	0
00-329	North-South Park Boardwalk	City of Gladwin	139,889	125,900	13,989
00-339	Lillie Park South and East Development	Pittsfield Township	386,720	49,504	0
00-354	Bay County Wetlands Improvements	Bay County	88,226	60,921	0
00-367	Lakeview Park Development	City of Portage	200,000	26,589	0
SUBTOTAL			\$ 3,054,731	\$ 1,030,939	\$ 170,311

GRANT AND PROJECT EXPENDITURES FOR 2006
LOCAL GOVERNMENT DEVELOPMENT (cont'd)

TF #	GRANT NAME	GRANTEE	GRANT AMOUNT	2006 EXPENDITURES *	BALANCE
Act 120 of 2001					
01-008	American Legion Park	City of St. Ignace	160,600	16,060	0
01-011	Hays Park Improvements	City of Watervliet	70,000	580	0
01-022	Independence Oaks Youth Camp	Oakland County	163,200	99,061	0
01-024	Hartrick Park Development	Meridian Township	488,125	383,668	0
01-029	Camp Petosega Campground Development	Emmet County	107,600	10,760	0
01-040	Buell Lake Park Improvement	Genesee County	152,529	152,529	0
01-041	Lake Erie Metropark Hike-Bike/Shoreline Trail	Huron-Clinton Metropolitan Authority	199,800	179,820	19,980
01-062	McQuisten Park Boardwalk	Munising Township	174,640	5,105	0
01-087	Bay County Trail Improvements	Bay County	22,000	18,117	0
01-092	Community Park Development	Village of Saranac	165,470	16,547	0
01-128	Hersey Multi-Use Park	Village of Hersey	163,800	109,960	0
01-134	Shiawassee River District Trails	City of Linden	125,000	104,363	0
01-139	Belding Pathway	City of Belding	211,640	21,164	0
01-142	East Twin Lake Beach/Park/Boat Ramp Improvements	Albert Township	50,718	5,072	0
01-158	Rosy Mound Improvements	Ottawa County	500,000	334,536	0
01-159	Pigeon River Greenway Improvements	Ottawa County	471,000	194,133	0
01-165	Big Rapids Riverwalk	City of Big Rapids	493,300	41,242	49,330
01-166	Gen's Parks Improvement Project	East Bay Township	121,360	7,493	0
01-179	Kent Trails-Grandville Extension	City of Grandville	471,500	210,966	123,873
01-187	Chippewa River Restoration Project	City of Mt. Pleasant	500,000	61,247	0
01-188	2001 Recreation Area Improvements	Village of Lake Linden	26,000	26,000	0
01-192	Blue Lake Park Renovations	Muskegon County	115,200	11,520	0
SUBTOTAL			\$ 4,953,482	\$ 2,009,942	\$ 193,183
Act 173 of 2003					
02-062	Pioneer County Park	Muskegon County	224,000	22,768	201,232
02-064	Bicentennial Park Improvements	Mt. Morris Township	36,600	5,779	30,822
02-077	Point Au Gres Park Improvements	Arenac County	274,600	58,148	189,252
02-139	Regional Park Trailways	City of Davison	307,700	31,670	276,030
02-163	Big Rapids Riverwalk Development	City of Big Rapids	490,000	38,082	451,918
SUBTOTAL			\$ 1,332,900	\$ 156,446	\$ 1,149,254
TOTAL EXPENDITURES			\$ 11,956,393	\$ 3,490,054	\$ 1,512,747

GRANT AND PROJECT EXPENDITURES FOR 2006

STATE DEVELOPMENT

TF #	PROJECT NAME	PROJECT AMOUNT	2006 EXPENDITURES *	BALANCE
Act 506 of 2000				
00-250	Fishing Piers in So. Michigan State Parks	456,500	135,722	52,109
00-251	Pontiac Lake RA Shooting Range Upgrade	250,000	180,630	0
	SUBTOTAL	\$ 706,500	\$ 316,352	\$ 52,109
Act 81 of 2001				
00-242	Hersey-Evart Trail Surfacing	350,000	10,178	23,460
	SUBTOTAL	\$ 350,000	\$ 10,178	\$ 23,460
Act 120 of 2001				
01-204	State Forest Campground Access Improvement	500,000	6,020	41,265
01-213	Southern Michigan Fishing Piers	330,000	302,152	23,675
	SUBTOTAL	\$ 830,000	\$ 308,172	\$ 64,940
Act 173 of 2003				
02-197	Rifle River Recreation Area	300,000	22,209	277,181
	SUBTOTAL	\$ 300,000	\$ 22,209	\$ 277,181
	TOTAL EXPENDITURES	\$ 2,186,500	\$ 656,911	\$ 418,291

VII. MICHIGAN NATURAL RESOURCES TRUST FUND FINANCIAL SUMMARY

During FY2006 (10/1/05 through 9/30/06), \$57,373,034 in revenue was generated from mineral royalties, largely oil and gas, collected under Part 19 of Act 451. The Act provides for up to one-third of those dollars - \$19,124,355 - to be appropriated and \$10 million to be transferred to the State Park Endowment Fund. The remaining revenues are deposited into an interest-bearing principal account. A deposit of \$28,248,689 will be made to the principal balance, bringing the principal balance at the close of FY2006 to \$300,268,823. Interest earned on the uninvested principal balance in FY2006 totaled \$1,046,261.

The interest earnings and investment income, plus one-third of the mineral revenues, are available for MNRTF projects and program administration. Administrative expenses for FY2006 totaled \$3,041,826.96. These costs include management of the minerals program within the Forest, Mineral and Fire Management Division, support for grants and acquisition staff in Grants Management and Office of Land and Facilities and Department of Information Technology. The payments to local governments for in-lieu of taxes on state-owned lands purchased under the MNRTF program since 1987 are also included among the administrative costs.

Project and grant award recommendations made in calendar year 2006 were based on projected funds available for grants and DNR projects during FY2006 as described below:

*PROJECT FUNDS AVAILABLE EXPLANATION

\$38,211,583	One-third of the mineral (largely oil and gas) revenue and interest as described above. These funds were split between acquisition (80 percent, less administrative costs) and development (20 percent). While the Board is authorized to spend up to 25 percent on development, due to the large number of exceptional acquisition opportunities in 2006, the Board opted to allocate slightly more than 20 percent for development and 80 percent for acquisition.
\$185,728	Prior Year Revenue/Interest Adjustments. In most years, the Board's project recommendations are made prior to book closing for the fiscal year. Revenue and interest adjustments continue to be made until the fiscal year is closed. As such, there can be small adjustments that must be made in the following fiscal year.
\$35,355,484	Total Project Funds Available - Acquisition: \$27,608,944; Development: \$7,746,540
(\$720,616)	Year End Adjustment carried into Fiscal Year 2006

**The above revenue and expenditure figures are current as of September 30, 2006.*

NATURAL RESOURCES TRUST FUND
Revenue Report
Fiscal Year Ended September 30, 2006

Revenue		Corpus	
Oil & Gas Revenue	57,373,034.11	Beginning Balance - 10/1/05	272,020,133.64
1/3 of Revenue	(19,124,344.70)	Deposit to Principal	28,248,689.41
State Parks Endowment Fund Transfer	(10,000,000.00)	Ending Balance as of 9/30/06	300,268,823.05
Amount to Principal Balance	28,248,689.41	Stabilization Reserve	12,240,383.56
		Total Corpus Investment Balance	312,509,206.61

Stabilization Reserve	
Beginning Balance	12,898,174.18
Sec 29 from Prior Year	(2,062,871.46)
Investment Revenues	14,933,544.59
Lapses - Development	402,352.49
Lapses - Other	211,955.58
5% Spending	(14,142,771.82)
Ending Balance	12,240,383.56

**Calculation of Funds
Available for Acquisition**

	Source Funds	Available Funds	
Other revenue-non Oil and Gas	4,944,466.16	4,944,466.16	
Investment Income-5% of Corpus	14,142,771.82	14,142,771.82	
Revenue (1/3)-Available to Appropriate	57,373,034.11	19,124,344.70	
	76,460,272.09	38,211,582.68	38,211,582.68

Less 20% of Available Funds for Development Projects FY 2006* (7,642,316.54)

Less:

Administrative Expenditures

Grants Management	(577,845.24)
Cost Allocation Charges (Admin & Rent)	(262,900.00)
Other Departments	(236,758.94)
Payment-in-Lieu of Taxes	(415,765.92)
Forest Mineral & Fire Management	(657,403.52)
Oil & Gas Audits	(275,631.00)
DIT	(449,950.42)
LOTS Development	(165,571.92)
Total Administrative Expenditures	(3,041,826.96)
Funds Available for Acquisition Projects FY 2006 From Interest and Revenue	27,527,439.18

Funds Available for Projects	Acquisition	Development	Total
	27,527,439.18	7,642,316.54	35,169,755.72
Prior Year Revenue/Interest Adjustments	81,504.97	104,223.38	185,728.35
Total Funds Available FY 2006	27,608,944.15	7,746,539.92	35,355,484.07
Less:			
Approved projects- Act ____ of 2007	(27,774,600.00)	(8,301,500.00)	(36,076,100.00)
Funds remaining of FY 06 Available Funds	(165,655.85)	(554,960.08)	(720,615.93)

*Acquisition floor is 25%, development ceiling is 25%
May be higher